

*Prepared, not delivered*  
Opening Statement

**Chairman Michael G. Oxley**  
**Financial Services Committee**

**Starving Terrorists of Money:  
The Role of Middle Eastern Financial Institutions**

**Financial Services Subcommittee on Oversight and Investigations  
International Relations Subcommittee on International Terrorism  
and Nonproliferation**

**May 4, 2005**

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Good morning to our witnesses, Members and guests. I would like to thank Subcommittee Chairwoman Kelly of the Oversight and Investigations Subcommittee and Congressman Ed Royce, who is both a member of this committee and also Subcommittee Chairman of the International Relations Subcommittee on International Terrorism and Nonproliferation, for calling today's joint hearing.

I would also like to thank the Departments of State and Treasury their tireless efforts to expose and halt means and methods of terrorist financing.

As we all know, it is absolutely essential that this government and our international partners and allies continue to attack terrorists and their financial support.

Today, we will review Federal efforts to expose and break the domestic links between the few charitable entities in the Muslim community, which fund Islamic terror, and their surreptitious use of some financial institutions.

For instance, since the 9/11 attacks, the Department of the Treasury has shut down several large Muslim charities operating in this country because they were giving direct material support to terrorist activities abroad, activities this Committee has already explored in detail.

Even as our government seeks out and shuts down bad acting institutions, it is also important to protect legitimate charitable activities, no matter what their place of origin.

Further, our economic health requires a dynamic correspondent banking system as well as the presence of numerous centers for currency exchange. We need to avoid overly restrictive regulation of legitimate money service businesses even as we ensure our national security against terror.

The Federal government has many of the tools it sought to identify, isolate and interdict terrorist financing. We now need to invigorate our dialogue with the financial services industry about the balance needed as that sector exercises due diligence in its business dealings. This is especially true with the use of Suspicious Activity Reports (SARs) and the application of know-your-customer requirements.

I am also encouraged by the creation of the Middle Eastern North African Financial Action Task Force. This will provide a frontline effort in the continuing war to dry up sources and methods of terrorist financing, and permit the flow of money to those in real need.

Again, Madame Chairwoman and Mr. Chairman, my thanks for your efforts to examine our progress in this critical area of the war on terror.

I look forward to a lively and informative hearing.